

國立中央大學九十四學年度碩士在職進修專班研究生入學考試試題卷

考試科目： 英文

共 2 頁 第 1 頁

考試時間： 90 分鐘

For more than a year, PeopleSoft Inc. CEO Craig Conway has battled to prevent Oracle Corp.'s Larry Ellison from grabbing his company in a hostile takeover. Now, Conway's spirited quest has absorbed a potentially fatal blow: On Sept. 9, U.S. District Court Judge Vaughn R. Walker ruled that the Justice Dept. had no grounds to block the acquisition. While the European Community could still stop it, the legal case for halting this shotgun wedding is looking weaker by the day.

It's time for Conway to give up the fight. True, doing so will mark an ignominious defeat for a talented leader who helped turn PeopleSoft around in the late '90s. A takeover also will mean painful layoffs. But if Conway soldiers on, his company's prospects—already made worse by the protracted fight—will turn dire. Ellison, who badly needs PeopleSoft to shore up his sagging applications business, isn't going away. Says Addison L. "Tad" Piper, vice-chairman at investment firm Piper Jaffray Cos.: "Stretching this out hasn't helped anyone."

When Ellison first made his bid in June, 2003, it made sense for Conway to test his resolve. Over the years, PeopleSoft had built an enviable relationship with its corporate customers. What's more, the company had a reputation for being more innovation than Oracle in applications. Conway argued, not without merit, that being taken over by Oracle, led by the famously abrasive Ellison, would undermine both of those strengths.

But that was then. PeopleSoft's business, troubled for two years, is crumbling. For a while customers kept the faith, but in recent months growing concerns about the takeover fight have eroded their confidence. What's more, corporate spending has not revived as strongly as projected. The combination means companies that are buying software these days are consolidating around fewer suppliers—and PeopleSoft isn't on the short list. While PeopleSoft has been forced to discount heavily to keep many customers, German giant SAP has emerged the big winner, with a 23% gain in U.S. software sales for the second quarter. PeopleSoft's second-quarter net income fell 69% from a year earlier, to \$10.98 million, while sales of \$647 million fell well short of analysts' expectations.

Still, Ellison badly needs PeopleSoft. Thanks to Oracle's strong database unit, fiscal first-quarter earnings jumped 16%, to \$509 million, on sales of \$2.22 billion. But its application sales plunged 36%. Eager to get his hands on PeopleSoft's customers,

國立中央大學九十四學年度碩士在職進修專班研究生入學考試試題卷

考試科目： 英文

共 2 頁 第 2 頁

考試時間： 90 分鐘

Ellison has guaranteed to support its software for up to 10 years to ease their fears. That's better than PeopleSoft's existing maintenance contracts.

Oracle's bid has plenty of upside for investors, too. The cash offer of \$21 a share values PeopleSoft at \$7.7 billion, plenty for a company with just \$2.3 billion in yearly sales. The bid is also about 26 times PeopleSoft's earnings; big software deals usually don't go for more than 20 times earnings. PeopleSoft is now trading at about \$19, but only because a takeover appears probable. It is unlikely to get near \$21 on its own. Conway would do better negotiating the best price he can before its fortunes decline even further.

Why won't Conway give up? He's eager to protect his legacy. PeopleSoft's employee-empowerment plans and dedication to customer needs are widely admired. Analysts figure over half of the company's 12,000 employees will lose their jobs. And he still argues that PeopleSoft will make better software alone.

But consider one alternative scenario: Oracle launches a proxy fight and takes control of the board after another year of decline. Everyone at PeopleSoft would lose—shareholders, execs, and employees. That's not a fitting legacy for a leader who, up to this point, has always done right by his company. (BusinessWeek, September 27, 2004)

試作：

1. 請用大約 300 個字摘錄上文重點。(請以中文作答) (60%)
2. 請用大約 200 個字就上文加以評論。(請以英文作答) (40%)